

SECTION L NARRATIVE

Instructions, Conditions, and Notice to Offerors

I. Instructions and Conditions, for submission of Proposals:

<u>VOLUME</u>	<u>TITLE</u>	<u>NO. OF COPIES REQUIRED</u>	<u>PAGE LIMIT</u>
I	TECHNICAL APPROACH Manufacturing Plan, Quality Plan and Management Plan	One CD-ROM and SEVEN paper copies with proposal submission.	50
II	PAST PERFORMANCE Quality and On-Time Delivery	One CD-ROM and FIVE paper copies with proposal submission.	15
III	PRICE	TWO single write CD-ROM and TWO paper copies with proposal submission.	N/A
IV	SMALL BUSINESS UTILIZATION	TWO paper copies with proposal submission.	15

A. Executed signed copies of the Request for Proposal (RFP) and all amendments, the Technical Approach, Past Performance, Price, and Small Business Utilization Volumes are to be forwarded to the following address:

U.S. Army Sustainment Command
Ammunition Contracting Team
ATTN: AMSAS-ACA-M/Bldg 350, 5th Flr
1 Rock Island Arsenal
Rock Island, IL 61299-6500

II. Preparation for the Technical Approach, Past Performance, Small Business Utilization:

A. The offeror's Technical Approach, Past Performance, Price and Small Business Utilization Volumes will be submitted as completely separate volumes and separate from the executed RFP. Information intended for the Government to consider, specific to each volume, shall be confined to that volume. Offerors are cautioned that failure to include the requested information in the applicable volume could result in the information not being considered and the proposal being downgraded accordingly. Each volume will be treated independently.

B. The maximum total pages for all Best Value information are 80 pages as defined below. Offerors are cautioned that incorporated by reference is not allowed. A page is defined as a single sided, 8 ½ x 11 inch sheet, single line spacing with no less than 10 point font. Foldout pages may be used and shall fold entirely within the volume, and count as a single page. Foldout pages may only be used for large tables, charts, graphs, diagrams and schematics, not for pages of text. Pages over the maximum total 80 page limit will not be considered in the evaluation. The cover, title page, tables of contents, divider pages, and mandatory forms will not be counted against the maximum page limit. Any exception to this page and size limit is set forth as follows:

For the Technical Approach, the offeror's proposal shall be limited to no more than 50 pages. The offeror may divide the page count between the Technical Approach Sub-factors, as deemed appropriate, without exceeding the total page limit of 50 pages. This page limit does not include the General Quality Manual required in the sub-factor for the Quality Plan.

March 17

For Past Performance, the offeror's proposal shall be limited to no more than 15 pages. The offeror may divide the page count between the Past Performance Sub-factors, as deemed appropriate, without exceeding the total page limit of 15 pages.

For Small Business Utilization, the offeror's proposal shall be limited to no more than 15 pages.

C. Each offeror shall prepare its proposal following the format specified in this section.

III. Specific Instruction by Volume/Items to be submitted:

The offeror must provide information in sufficient detail to allow the Government to make a Best Value assessment of the Offeror's Technical Approach, Past Performance, Price and Small Business Utilization. In order for the offeror's proposal to be acceptable, it must reflect a complete understanding of the RFP/TDP and demonstrate the technical capability to perform the overall effort in accordance with the critical quality requirements. An index shall be included in each volume with a narrative title cross-referenced to the applicable paragraphs of each section. Discussion text shall be identified by the same title used in the index.

The offeror shall submit the Technical Approach, Past Performance, Price and Small Business Utilization addressing the factors listed below:

1. The Technical Approach (Factor) consists of three sub-factors - Manufacturing Plan, Quality Plan, and Management Plan:

A. Manufacturing Plan (Sub-factor):

The offeror shall provide a description of the Manufacturing Plan proposed for the production of the MK36 Charge, Demolition. This description will demonstrate the offeror's level of understanding of and compliance with the technical data package. The plan must be realistic, achievable, and supportable. Proposals will address, as a minimum, the following:

- The offeror shall provide information as to whether the process/part is manufactured in-house or procured from a sub-contractor/vendor. For each part: define all work to be accomplished by a sub-contractor and provide the name of the proposed sub-contractor.
- Describe the proposed manufacturing process/plan that would be able to handle quantities up to the yearly maximum range.
- Describe how the proposed manufacturing process/plan will meet the delivery schedule.
- Describe the method of applying the asphaltic compound to the interior of the MK 36. Define methods to be used to assure adequate, but not excessive, coverage.
- Describe the method of producing and casting the H-6 Explosive. Specify the equipment to be used and the operating parameters of the equipment. Provide proposed methods to control the cooling process so as to preclude cracks and voids within the casting.
- Describe the method of producing and installing the CH-6 Boosters. Describe the types of equipment to be used.

- Describe the method of packing and marking the MK36 charges. Describe the type and quantity of equipment to be used.
- The offeror shall discuss their structured Manufacturing Process Control System designed to prevent non-conformances and reduce variation in processes affecting performance, reliability, safety, or other key product characteristics. This element may also include a summary of on-going process improvement activities and plans to remedy shortfalls in processes or equipment.
- The offeror shall provide a plan showing that the proposed raw materials and purchased parts will be available in the quantities necessary to support contract delivery requirements.
- The offeror shall show that there are adequate controls to account for and provide traceability of components during the production process, temporary storage, and interplant shipment.
- Specify the equipment and facilities to be used for analysis of the H-6 explosive and radiographic inspection of the charges.

B. Quality Plan (Sub-Factor):

The offeror shall provide a detailed discussion of the proposed approach for the performance of Quality Assurance that meets the requirements defined in Section E (Inspection and Acceptance) of the solicitation and the requirements of the specifications. The offeror shall provide a detailed discussion of the offeror's proposed Quality System through the submission of the offeror's Quality System Plan. The Offeror's Quality plan shall include, as a minimum:

- The offeror shall provide a copy of their current Quality Manual. The Quality Manual will NOT count towards the total page limit).
- If certified, provide a copy of your national standard certification; i.e., ISO.
- A description of the inspection points on the proposed production line.
- A description of the management principles and policies which describe the approach to be followed in performance of the quality program and which demonstrates corporate commitment through the life of this contract;
- Procedures for identification, correction, and resolution of deficiencies found in components, subassemblies, and assemblies of parts to be made into the end items.
- A description of the interrelations of the offeror's quality program throughout the organization and its relationship with the subcontractors and suppliers;
- A description of the calibration system, covering measuring and test equipment, and the standards it adheres to.
- A description of the proposed program rework, and repair.

- A description of any plans for continuous improvement.
- A description of the in-process and final acceptance criteria/inspection process for the MK36 Demolition Charge and the location of inspection points on the production line.
- A description of prevention of defects including critical, major and minor characteristics.
- A description of a program for critical characteristics management.

C. Management Plan (Sub-Factor):

The proposal will describe the offeror's Integrated Master Plan(IMP). Proposals will address, as a minimum, the following:

- A narrative of planning, establishing and implementing all processes to be used to execute the program and control risks (technical, cost and schedule).
- A description of the integration of all the diverse tasks and milestones that must be successfully completed along with the requisite resources.
- A description of the process for development, qualification and insertion of new technology, product, or process improvement and resources required to successfully support this process.

2. Past Performance (Factor) consists of On-Time Delivery (Sub-factor) and Quality (Sub-factor):

The offeror must submit a list of all contracts: Government, commercial and Foreign Military Sales (FMS) that meet the criteria of the definition for "Recent" and "Relevant". For the purpose of submitting proposals, "recent" is defined as occurring within the past three years before the solicitation's initial closing date. However, the Government's evaluation of those proposals can consider performance that occurs until the date of award. "Relevant" is defined as having previously produced same or similar items. Like or similar items are defined as items that have been produced utilizing the same manufacturing processes, essential skills, and unique techniques needed to produce the required assemblies. Offerors shall provide a brief narrative explanation of how/why they believe their past performance is relevant; however, the Government reserves the right to determine whether an item is the same or similar. The offeror shall provide a description of Government and private contracts received and performed during the past three (3) years prior to the initial closing of this solicitation. However, the Government's evaluation of those proposals can consider performance that occurs until the date of award. Government contracts are defined as those with the Federal, State, and Local Governments. Other sources, available to the Government other than those listed in the offerors proposal may be used to gather and evaluate sub-factors. Sources, such as, but not limited to, data gathered via the PPIMs or CPARs systems, contracting and pre-award offices at other supporting commands, past customers and previous contracting officials will be used to gather information. For purposes of past performance evaluation, the offeror shall include information regarding predecessor companies, key personnel who have relevant past performance, or subcontractors that will perform major or critical aspects of the requirement. The offeror must provide the following information regarding Past Performance:

- (1) Name of contracting activity/commercial firm
- (2) Contract Number
- (3) Contract type (Fixed Price, Cost Reimbursable, etc.)
- (4) Total Contract Value
- (5) Description of Work/NSN, part number, Nomenclature
- (6) Contracting Officer/Contract Manager and Telephone Number and email addresses
- (7) Administrative contracting officer
- (8) The offeror shall provide information on problems encountered on contracts requested in subparagraphs (A) and (B) below.

A. On-Time Delivery (Sub-Factor):

Offerors shall provide information regarding recent, relevant past performance in the area of timeliness of deliveries. The offerors must provide information for deliveries made, deliveries scheduled-to-be made, and deliveries rescheduled-to-be-made during the period of recent past performance. Include all supporting information for verification purposes concerning all of these covered deliveries, even though this supporting information may precede the period defined as recent above. For verification purposes, the offeror shall provide a point of contact/name, email address, phone number, contract number and dollar value of recent, relevant contracts. The offeror shall compare the contract delivery schedule to the actual deliveries to determine whether deliveries were made on time and whether there were any slippages. If so, the offeror shall include the reasons for those slippages, whether a revised delivery was incorporated and offeror's corrections. If there was an early delivery, the offeror shall state whether the purchasing officer or Contracting Officer requested it or not.

B. Quality (Sub-Factor):

Offerors shall provide information on their recent, relevant performance in the area of quality. The government will evaluate all relevant quality issues that it discovers during the period of recent performance, regardless of when the actual delivery was made. The offeror must provide information as follows:

- Information (the number and severity) about Requests for Waivers (RFWs) and Requests for Deviations (RFD) and if the RFW/RFD were followed by ECPs.
- Records of First Article Test submissions on this or similar items.
- Record of quality related issues and/or other product quality or quality programs related problems.
- Summary of historical first-pass yield data, scrap reduction data, and results of past product/process improvement initiatives and use of Statistical Process Controls (SPC).
- Summary of customer satisfaction data to include number and severity of customer complaints related to responsiveness and Product Quality Deficiency Reports (PQDRs).
- Relevant historical percentage of production lots accepted at initial submission to the customer and record of quality related issues impacting on-time delivery of product.

- Number of Corrective Action Requests (CARs) issued by the Government, customers or contractor (includes internally initiated) and adequacy of corrective and preventive actions taken in response to CARs.

3. Price (Factor):

PRICED OFFERS:

1. Offerors shall provide their proposed unit prices for the quantities solicited in the Section B Pricing Matrix, Exhibit B of the solicitation. Proposed unit prices are limited to two decimal places. The proposed unit prices shall be the prices used by the Government to calculate the evaluated total price and for issuance of delivery orders. Offerors must propose unit prices ranging from the Minimum Estimated Quantity through the Maximum Estimated Quantity for each pricing period identified in the Pricing Matrix. Failure to do so may result in the offer being rejected.

2. All prices for this acquisition shall be stated in current U.S. dollars. This shall also include escalation, as appropriate.

3. The pricing periods shall be as specified on the Pricing Matrix.

4. The proposal shall consist of:

a. Two electronic copies of the filled-out Pricing Matrix and two paper copies of the filled-out Pricing Matrix. The electronic copies of the filled-out Pricing Matrix should be submitted on two single-write CD ROMs to prevent accidental erasure or change of the data therein.

b. A listing of Government production and research property to be used if a use evaluation factor for the property is required by the provision (if contained elsewhere in the solicitation) entitled "Evaluation Procedures for Use of Government-Owned Production and Research Property" (hereafter referred to as "the provision"). For the purpose of identifying the kinds and quantities of property and the production period (the variable "P" as defined in the provision), the offeror shall base the list on the largest maximum estimated quantity identified in the Pricing Matrix. The offeror should ensure that the production period is based on one pricing period, not two or more pricing periods. The provision further requires that the listing shall be submitted on AMCCOM Form 71-R or equivalent. The offeror shall also provide this listing in electronic form using Microsoft Excel or a compatible program with the appropriate rental calculations so that the Government can readily verify the rental calculations. The Government reserves the right to make corrections as needed.

c. Any additional information considered necessary to explain the proposed pricing.

5. Instructions for completion of the Pricing Matrix:

a. All information to be filled in by the offeror is highlighted on the Pricing Matrix in blue.

b. The offeror shall enter its full name in the space provided.

c. The offeror shall enter the Range End Quantity for each range it proposes in the space provided for the first pricing period ending 31 December 2007. The spreadsheet will automatically calculate the Range Start Quantity based on the Range End Quantity the offeror enters for each range. Offerors are required to propose a minimum of three (3), and up to a maximum of five (5), ranges. The spreadsheet will automatically copy the offeror's range information for the 2007 pricing period to the remaining periods. Offerors are not authorized to offer different ranges or range quantities for the remaining pricing periods. Proposals that do not offer at least three ranges, or fail in its proposed range(s) to price all quantities (the minimum estimated quantity through the maximum estimated quantity as specified on the

pricing matrix) for each pricing period, or offer different numbers of ranges or range quantities in different pricing periods, may be rejected.

d. Offerors are required to state binding prices. The offeror shall enter unit prices for each range in the spaces provided. The spreadsheet will limit the display of the offered unit prices to two decimal places.

e. If this procurement is solicited on a separately priced First Article (FA) basis (either with First Article only or with and without First Article), the offeror shall enter the total first article price for each of the pricing periods in the applicable shaded areas. If first article pricing isn't solicited, then the offeror should leave the FA spaces blank.

f. No other information is to be added to the Pricing Matrix, nor shall offerors make any changes to the Pricing Matrix.

g. In the event of a discrepancy in unit prices between the electronic and paper copies of the Pricing Matrix, the prices contained in the electronic copy shall prevail.

6. With respect to pricing, the proposal response is presumed to represent the offeror's best effort to respond to the solicitation. Any significant inconsistency between promised performance and price should be explained in the offer. For example, if the use of new and innovative techniques has an impact on unit price, their impact on price should be explained by the offeror. If a management decision has been made to absorb a portion of the program costs that have not been included in the proposed pricing, that decision should be stated and quantified in the proposal. Any significant inconsistency, if not explained, raises a fundamental issue of the offeror's understanding of the nature and scope of the work required, and may be grounds for rejection of the proposal. The burden of proof as to price credibility rests with the offeror.

4. Small Business Utilization (Factor):

Small Business Utilization

As required by DFARS 215.304, Small Business Utilization is an evaluation factor in this acquisition.

1. All offerors (small, large and foreign) are required to identify the extent to which the following small businesses and educational institutions will be utilized in the contract:

(a) Small Businesses (SBs), Veteran-Owned Small Business (VOSB), Service Disabled Veteran-Owned Small Business (SDVOSB), Small Disadvantaged Businesses (SDBs), Women-Owned Small Businesses (WOSBs), Historically Underutilized Business Zone (HUBZone) Small Businesses, hereinafter all referred to as SB; and

(b) Historically Black Colleges, Universities and Minority Institutions (HBCU/MI's).

2. For Small Businesses, as identified by the size standard for the North American Industry Classification System (NAICS) Code applicable to this solicitation, the offeror's own participation as a SB or HBCU/MI is to be identified and will be considered in evaluating small business utilization.

3. Small Business Utilization

(a) All offerors are to provide in the format below; company name, products/services and the estimated dollar value, type of SB, HBCU/MI's, Large Businesses who would participate in the proposed contract, estimated total SB subcontracting dollars, and the estimated total contract value.

SB TYPE	EST. \$ VALUE	PRODUCT OR SERVICE	COMPANY NAME
TOTAL SB \$			
LARGE BUSINESS	EST. \$ VALUE	PRODUCT OR SERVICE	COMPANY NAME
EST. TOTAL CONTRACT	\$		
EST. TOTAL SUBCONTRACTING	\$		

(b) All offerors are to provide a detailed description of the proposed methods used to promote the maximum practicable opportunity for SB to participate in contracting and subcontracting, as prescribed by the Federal Acquisition Regulation (FAR) clause 52.219-8, "Utilization of Small Business Concerns".

(c) Realism - Offerors are to provide the following information on relevant contracts performed within three years prior to the initial solicitation closing date for the same or similar products/services:

(i) Small business offerors shall provide the following information for each relevant contract where FAR clause 52.219-8 applied; the total contract value, the total dollars to Small business and the total subcontracting dollars to Large Business. A Small Business offeror shall identify and include their own performance in the documentation.

(ii) Large business offerors shall provide the most recent Standard Form (SF) 294, "Subcontracting Report for Individual Contracts" for each relevant contract where FAR clause 52.219-9 "Small Business Subcontracting Plan" applied.

(iii) If the large business proposes substantially different small business utilization than experienced on the SF 294, they must explain how they will accomplish and/or the reason for the higher/lower proposed level.

(iv) Large businesses that have not had a contract in the past three years incorporating FAR clause 52.219-9, shall so state.